Colorado Long-Term Economic and Population Forecast

Presented to the

Metro Roundtable

Interbasin Compact Committee

April 12, 2006

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State Demography Office
Colorado Department of Local Affairs

Colorado Demography Office
www.dola.colorado.gov/demog

- **State Agency**

    Responsible for population data needed by state agencies.

- **Department of Local Affairs**

    Prepares data and information in ways that account for local perspectives, needs.

- **Public Information**

    Makes data and information readily available to the public, including citizens, businesses and non-profit agencies.

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Colorado Demography Office
Types of Population Data; Programs

- **Census**

  Counts, surveys of the existing population every ten years (ending in zero) reported by block.

- **Estimates**

  Determination of "current" population totals based on data indicative of the population or population change by county / municipality.

- **Forecasts**

  Expected population totals and those by age and gender in the future by county.

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Colorado Demography Office
Types of Population Data; Programs

Census
- Developed from map of *street center-lines* and inventory of all *housing units*.
- American Community Survey to replace long-form of decennial census.

Estimates
- County data based on IRS, Medicare data.
- Municipal estimates on housing units.
- *Challenge process* gets locals engaged in compilation of data on housing units.

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Colorado Demography Office
Population Programs

Forecasts (county only)

Population change tied to understandings of both economic and demographic change.

- economic forecast establishes demand for labor.

- demographic cohort-survival **model** indicates supply of labor provided by existing populations.

- differences in labor demand vs. labor supply resolved by the net migration of populations / households.

Colorado Demography Office
Population Programs

Forecasts (county only)

Economic forecasting approach

- economic forecasts prepared by the **Center for Business & Economic Forecasting (CBEF)** using econometrics **model** tied to national and international forecasts / developments.

- program of *Local Economic Information and Forecasting Assistance (LEIFA)* enables counties to understand their local economy and make choices / forecasts.

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Summary of Available Data

- **The Economy:** jobs, personal income.

- **The Labor Market:** commuters, second jobs, the Labor Force = employed + unemployed.

- **POPULATION:** by age and gender.

- **Social Characteristics:** ethnicity, other.

- **Living Arrangements:** group qtrs, households.

- **Household Income:** by household types.

- **Housing Units:** various characteristics.
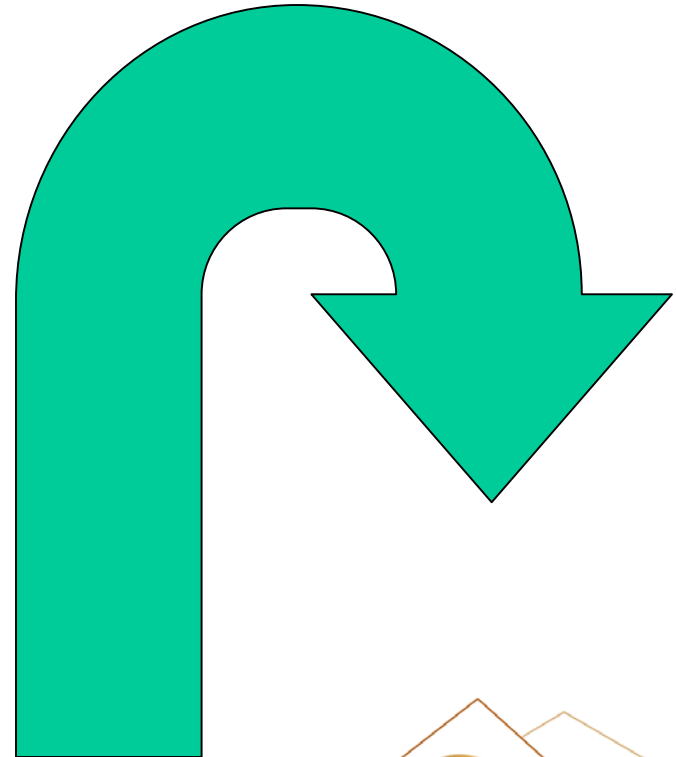
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Relationships

Past	Present	Future

- **The Economy**
- **The Labor Market**
- **POPULATION**
- **Social Characteristics**
- **Living Arrangements**
- **Household Income**
- **Housing Units**
- **Maps**

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State Economic Areas:

3 Sub-state areas, each with four regions or types

|	2005	
Sub-state Area	**Jobs**	**People**
Metro Front Range	**2,300,000**	**3,800,000**
West Slp & Cntl Mtns	**360,000**	**680,000**
Eastern Plains & SLV	**100,000**	**220,000**
Colorado – Total	**2,760,000**	**4,700,000**

Metropolitan Front Range

- **Denver – Boulder**

- **North Front Range**
  - **Fort Collins**
  - **Greeley**

- **Colorado Springs**

- **Pueblo**

Colorado Economic Areas Map
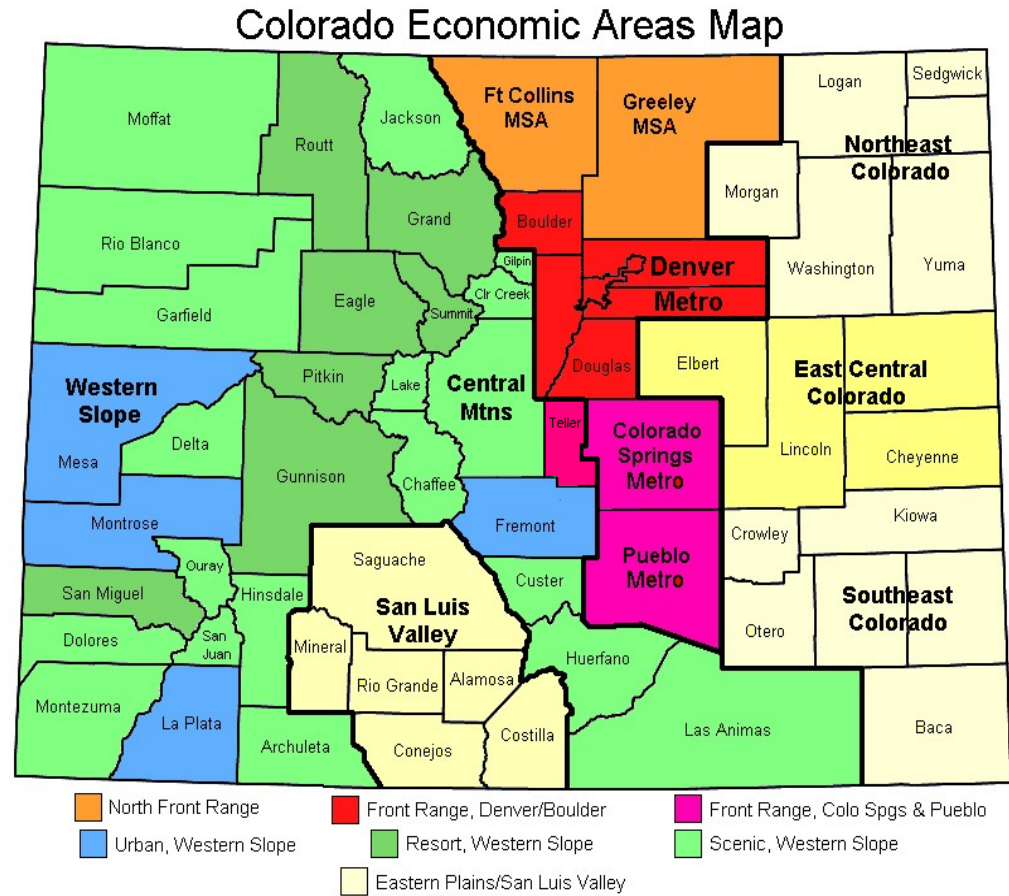
Agricultural Areas of the Eastern Plains and San Luis Valley

- **Northeastern Colorado**
- **East Central Colorado**
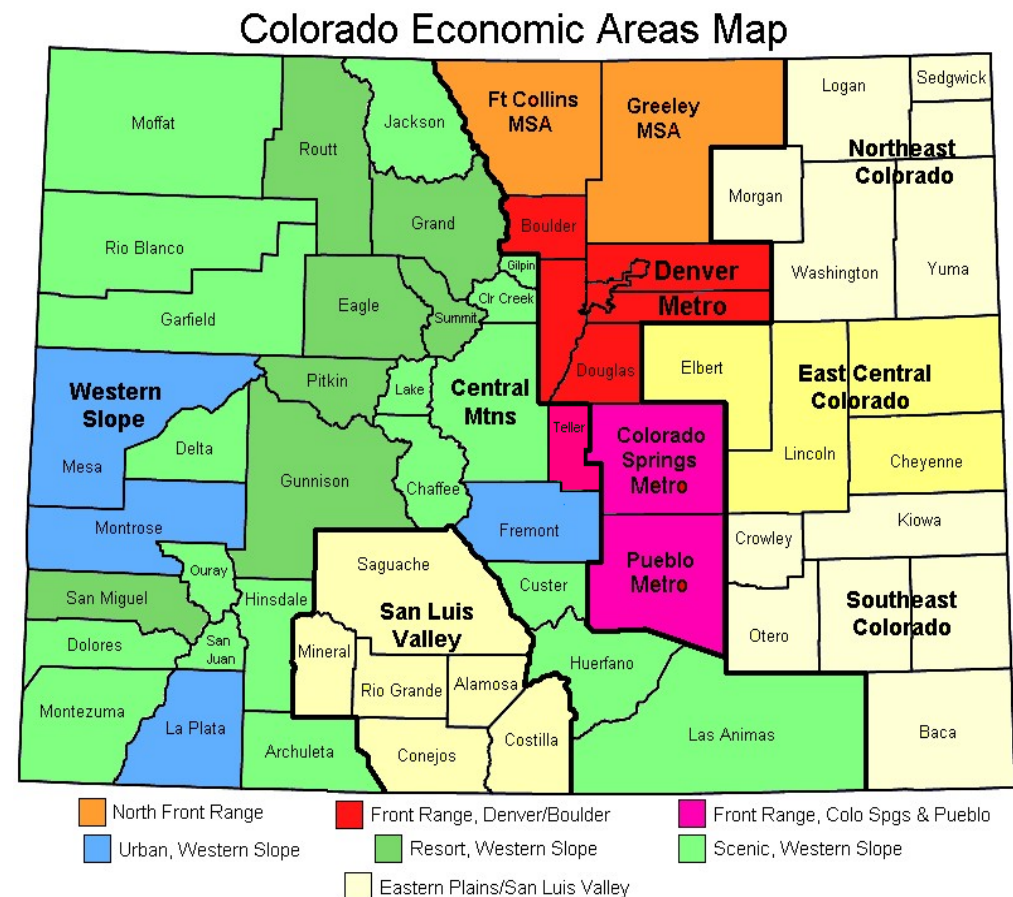- **Southeastern Colorado**
- **San Luis Valley**

Colorado Economic Areas Map
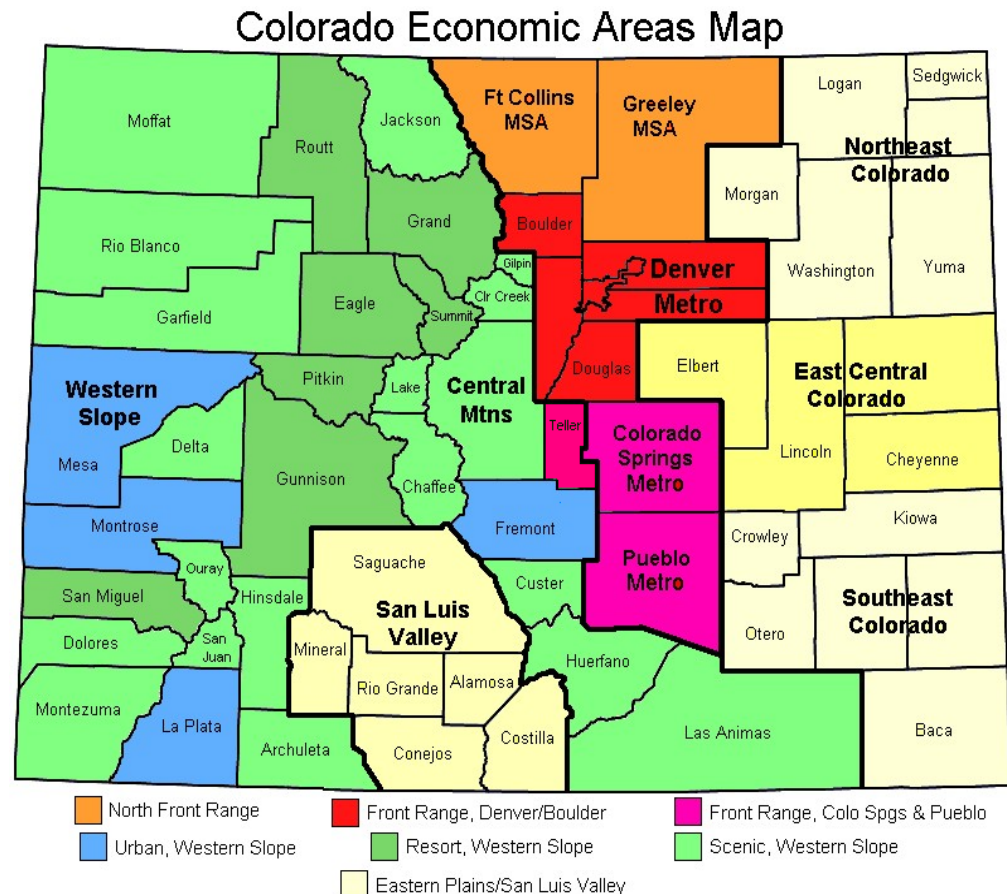
Western Slope and Central Mtns
Scenic Areas notable of Colorado

Types

- **Resort Counties**

- **Urban Counties**

- **Scenic Counties**

Colorado Economic Areas Map

Western Slope and Central Mtns

Resort Counties

Centered on skiing and summer resorts

- **Traditional tourism and its (growth) effects**

    - **reports of no growth in skiing and travel**

- **Second homes and their effects**

    Construction, Maintenance, Transactions, Public Safety
    Use: 2nd Home provides an expanded base of activities

    Recreation, leisure & enjoyment of amenities
    2nd home occupants have high incomes

Western Slope and Central Mtns
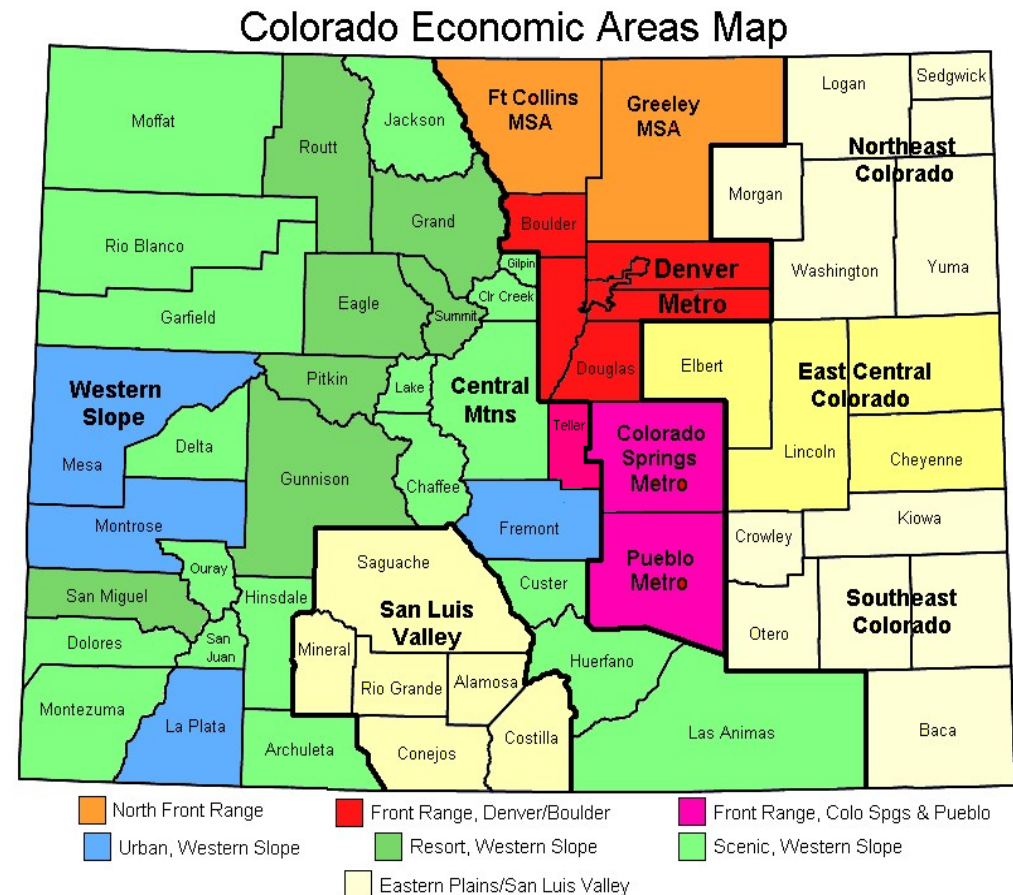
Urban and Scenic Counties

Centered on Rural "Industry" and Leisurely Lifestyle
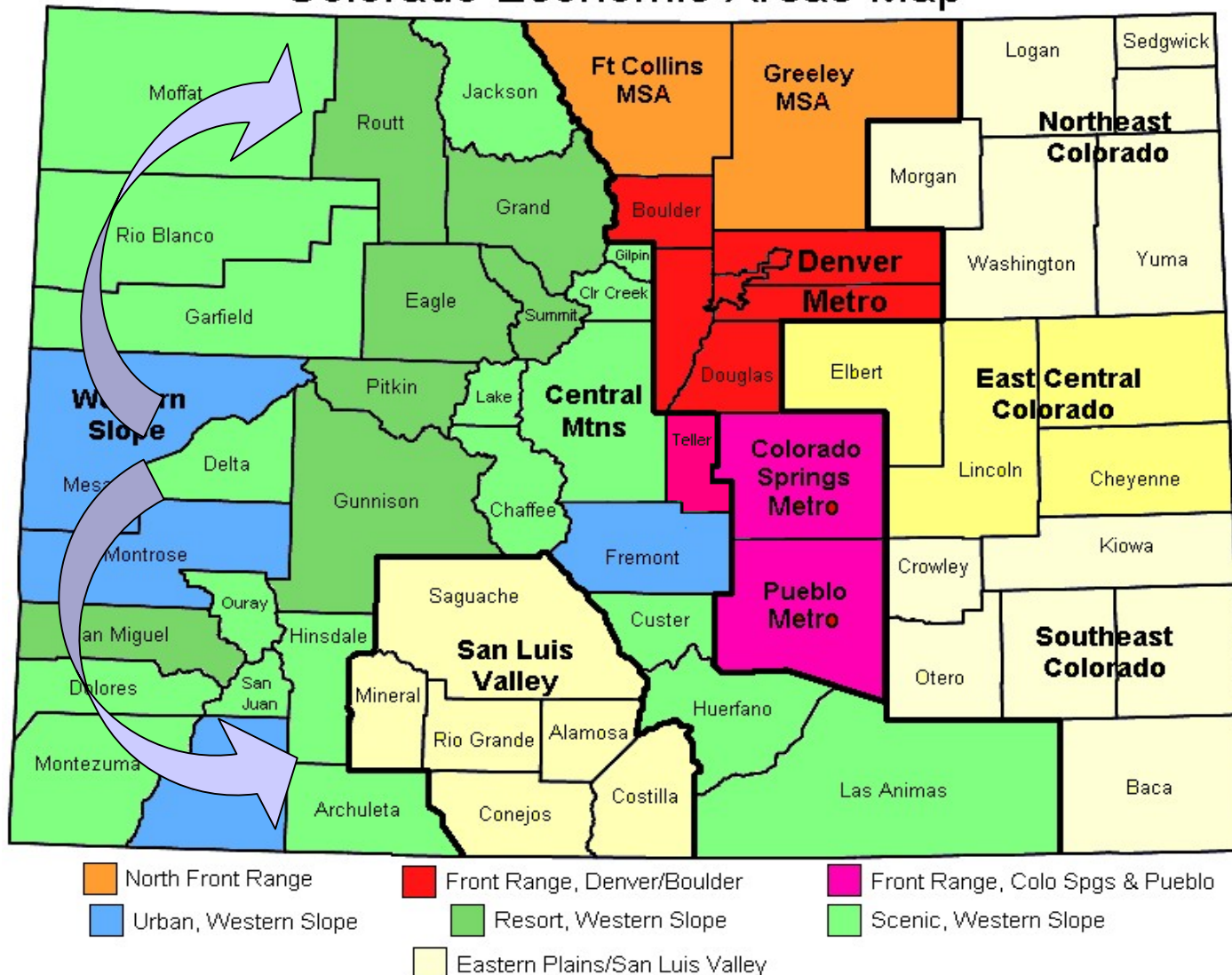
Agriculture, ranching

Mining

Colleges, prisons

Tourism

Colorado Economic Areas Map

Energy

Colorado Economic Areas Map

Forecasts of the State's Economies

Factors Considered in Forecasting the Economy

- Understanding of the economic base: the industrial or market "drivers".

- National and regional conditions in general, and the market potentials for specific drivers.

- Local attitudes, public orientations, toward growth and growth management.

Economic Perspectives for the Metropolitan Front Range

- **Historical (recent) basic industries**
  - Mining related
  - Agricultural related – agribusiness
  - Defense and Federal Government

- **Basic industries today**
  - Manufacturing – Hi-tech
  - Energy related
  - Technology and telecommunications
  - Regional Services
  - Tourism and tourism related

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Reasons for Growth in the 1990s

International, National	
1.	Peace
2.	Globalization of Capitalist Economy
3.	Ideal Position of the U.S.
4.	Growth in Wealth

Regional (Rocky Mountain, Colorado)		
5.	California: hi-tech, Asian markets, labor	
6.	*Decentralization*	
7.	Attractiveness: Geographic position	

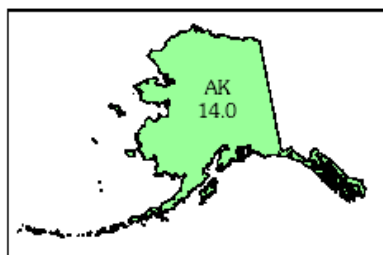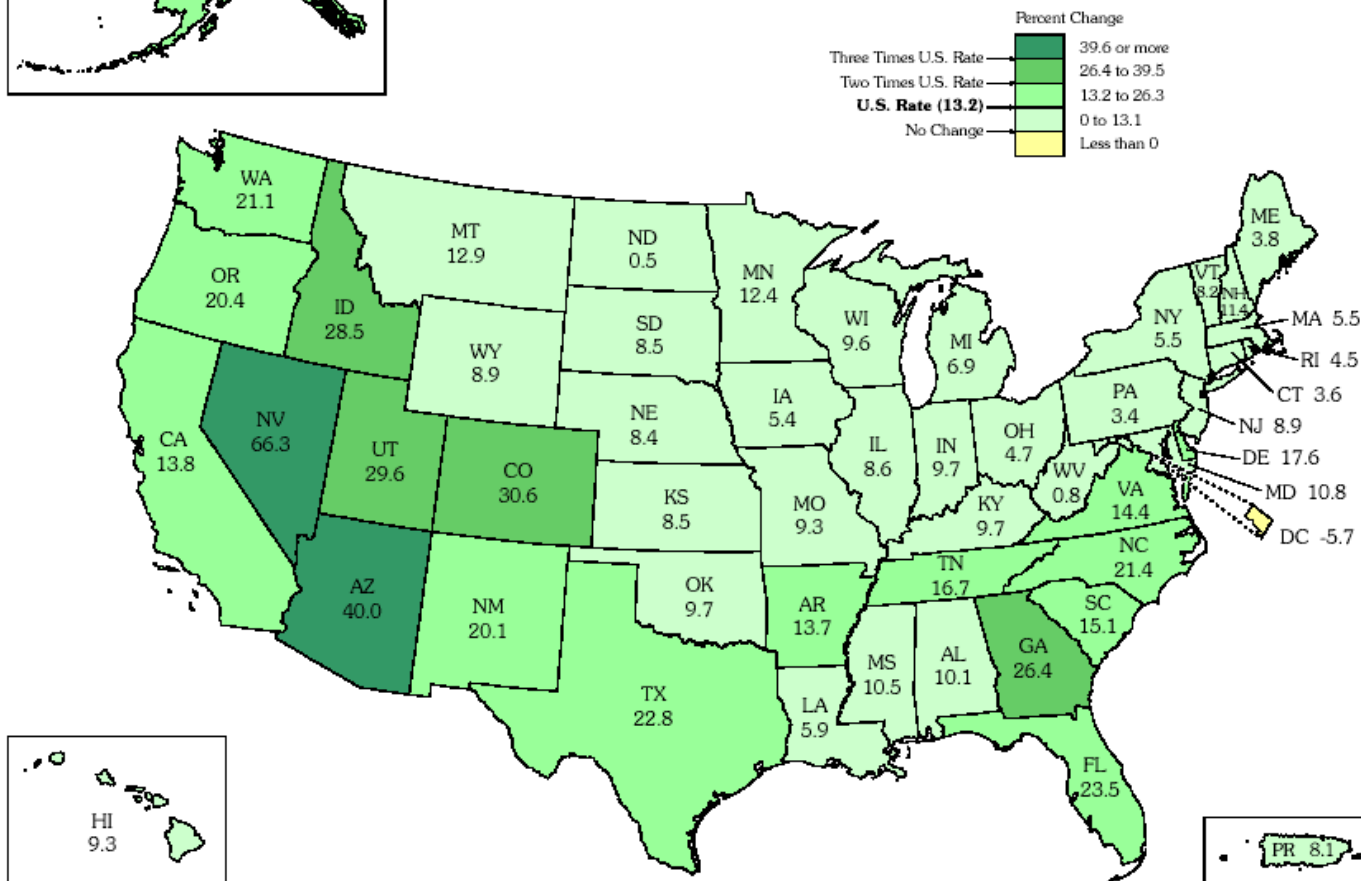*Colorado Department of Local Affairs*

Population Growth by States, 1990s

Figure 1. Percent Change in Resident Population for the 50 States, the District of Columbia, and Puerto Rico: 1990 to 2000

Prepared by Geography Division

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Helping You Make Informed Decisions

Expectations for Economic Growth

International, National	*2000-20*
1. Peace	Yes, but different
2. Globalization of Capitalist Economy	Yes, but slower
3. Ideal Position of the U.S.	Yes, with immigration
4. Growth in Wealth	Much slower

Regional (Rocky Mountain, Colorado)	
5. California: hi-tech, Asian markets, labor	Yes, but also in East
6. Decentralization	Yes
7. Attractiveness: Geographic position	Yes, BUT cost of living in urban areas is high!!!

Expectations of Growth
General

- The economies of the U. S., other nations, and the Front Range continue to go forward in the new globalized international economy.

- Growth for most countries is not as fast, but there are very positive maturing, adapting, restructuring processes going on accordingly.

- The expenditure of wealth earned in recent decades will keep things going even in times of major industrially-related development problems.

Expectations of Growth
Metropolitan Front Range

- The region is still cost-competitive relative to large (California) metropolitan areas.

- Its geographical position, along with DIA, gives it a strong locational advantage.

- The mountains certainly add to the attractiveness of the region.

- The lack of planning and public services, where evident and serious, will reduce the attractiveness of certain areas.

Expectations of Growth
Western Slope and Central Mtns

- Traditional tourism will remain a source of growth but be geared more toward the late-middle-age behavior of the baby-boomers.

- Second home users, retirees, remote workers will be the primary drivers of economic activity in these areas.

- Energy-related mining and other activities will pick up . . . and retain a greater presence over time.

Expectations of Growth: Agricultural Areas of the Eastern Plains and San Luis Valley

- Agriculture is struggling; many counties have been hit hard by the drought.

- There have been some devastating losses of manufacturing jobs.

- Value-added agriculture is helping.

- Tourism, prisons, manufacturing, other will help them "hang on".

Employment (Jobs) Implications of Industrial Growth for Sub-areas, 2005-2025

Sub-State Area	2005	2015	2025	Aver. Annl. % Chng	
				2005-15	2015-25
COLORADO	2,760,000	3,300,000	3,750,000	1.8%	1.3%
Front Range	2,300,000	2,750,000	3,120,000	1.8%	1.3%
Western Slope & Central Mtns	360,000	440,000	500,000	2.0%	1.3%
Eastern Plains & San Luis Valley	100,000	110,000	130,000	1.0%	1.7%

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<u>Population</u> Implications of Industrial Growth for Sub-areas, 2005-2025

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Front Range	3,800,000	4,400,000	5,060,000	1.5%	1.4%
Western Slope & Central Mtns	680,000	820,000	980,000	1.9%	1.8%
Eastern Plains & San Luis Valley	220,000	230,000	260,000	0.4%	1.2%

A Major Demographic Factor Affecting the Growth of the Colorado Population:

The "Aging" of Colorado's and the Western U. S.'s Population of Baby Boomers

Demographic Factor

The "Graying" of the West

- Aging of the nation's baby-boomers born 1946 – 1964. (Ages 36 to **54** in 2000.)

- Growth, migration in the West since World War II, and especially in Colorado.

- Re-distribution of Western baby-boomers within the West and Rocky Mountain Region as they retire. . . heading to Colorado.

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United States Projections

Fastest growing gray age group from 2000 – 2010:

- Ages 55-64 will grow at 3.9% per year. (Total 0.6%)
- The age group will grow 11 million: from 24-35 million.

- From 2010 – 2020, population 65-74 will grow 4.0% per year.

- From 2020 – 2030, population 75+ will grow 3.9% per year.

  - Population 65+ will double in next thirty years… going from 35 million in 2000 to 70 million in 2030.
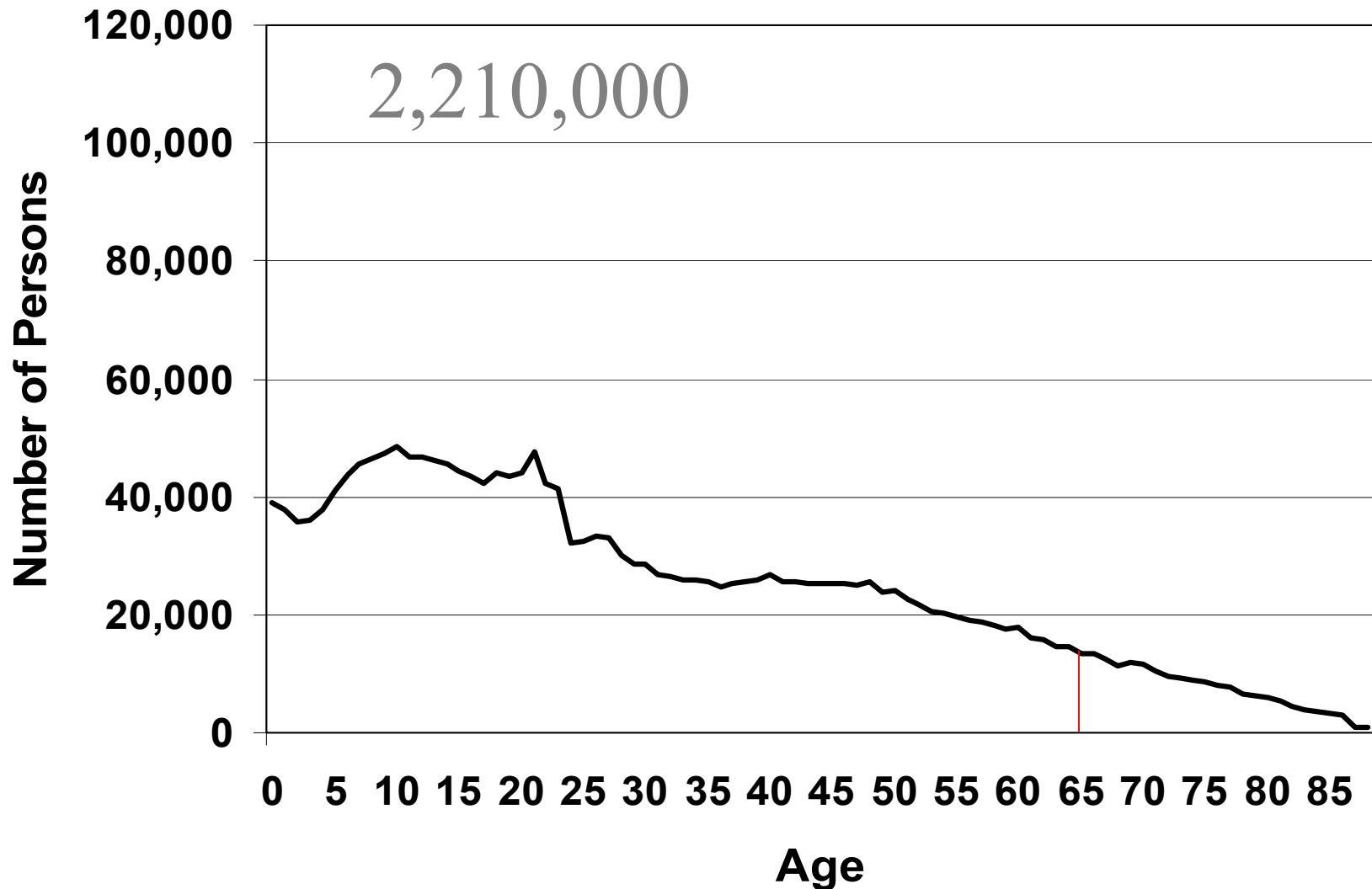
Colorado Forecast

- Between 2000 and 2010, the Colorado population 55 – 64 will grow at <u>5.9%</u> per year vs. 3.9% for this U. S. age group, and 1.7% for Colorado total.

- Between 2010 and 2020, the Colorado population 65 – 74 will grow at <u>5.6%</u> per year vs. 4.0% for the U.S., and 1.8% for Colorado total.

- In the two decades, between 2000 and 2020, Colorado's population 55 – 64 will more than double increasing from 342,000 in 2000 to 745,000 in 2020.

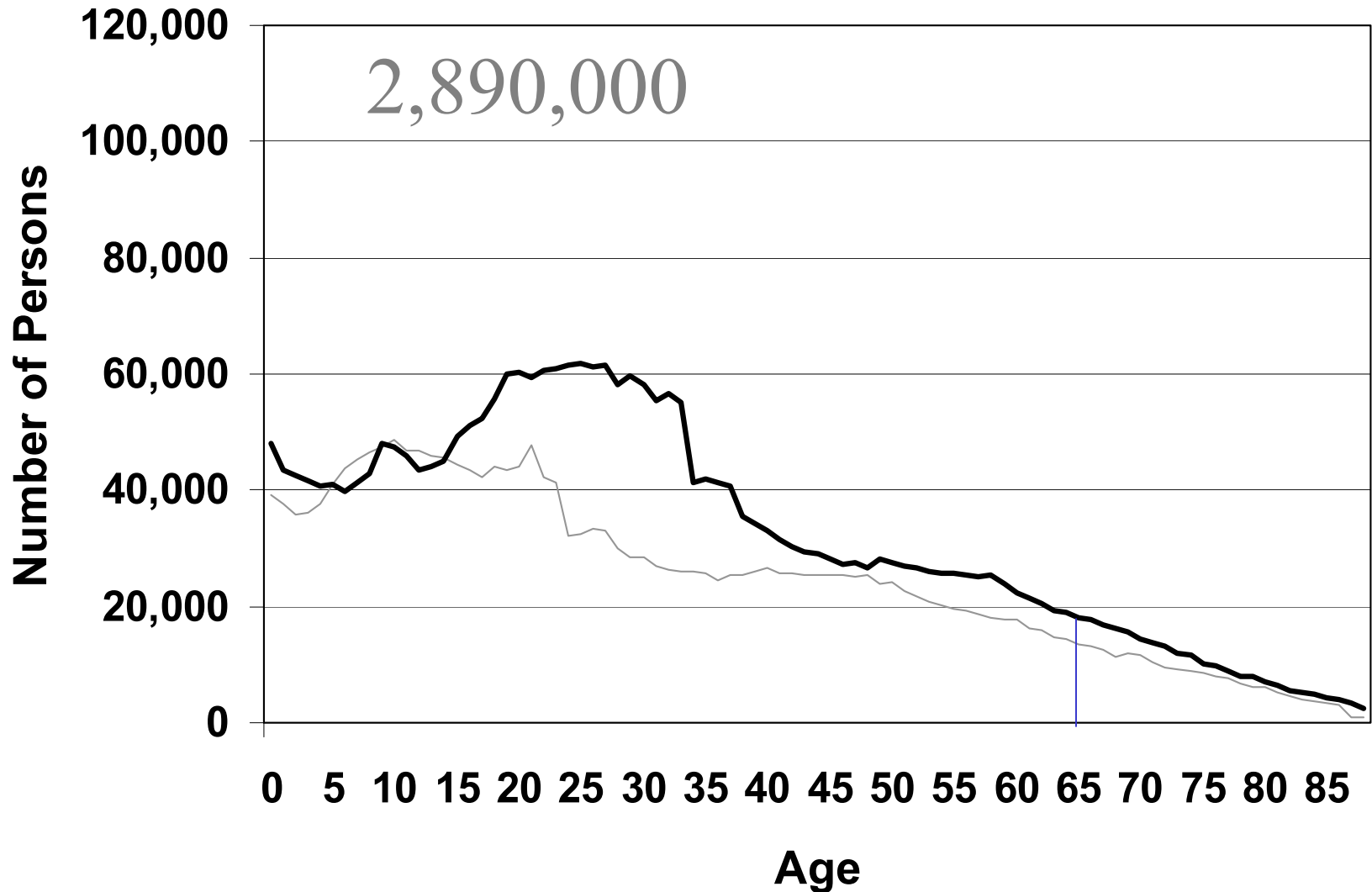- By 2030, Colorado's population 65 and over will be 2.6 times that in 2000.

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Colorado Population 55+, 2000 - 2030

Year	Total Population		Population 55 - 64			Population 65 - 74			Population 75 +			
	Amount	Amt. Chg.	Amount	Amt Chg	% of Tl.	Amount	Amt Chg	% of Tl.	Amount	Amt Chg	% of Tl.	
2000	4,340,000		342,000		7.9%	**227,000**		5.2%	**191,000**		4.4%	
		800,000		264,000			76,000			21,000		
		1.7%		**5.9%**			2.9%			1.0%		
2010	5,140,000		606,000		11.8%	303,000		5.9%	212,000		4.1%	
		995,000		139,000			221,000			62,000		
		1.8%		2.1%			**5.6%**			2.6%		
2020	6,135,000		745,000		12.1%	524,000		8.5%	274,000		4.5%	
		1,015,000		19,000			117,000			177,000		
		1.5%		0.3%			2.0%			**5.1%**		
2030	7,150,000		764,000		10.7%	**641,000**		9.0%	**451,000**		6.3%	

Colorado Population by Age 1970

Colorado Population by Age 1990

3,294,000

Number of Persons

Age

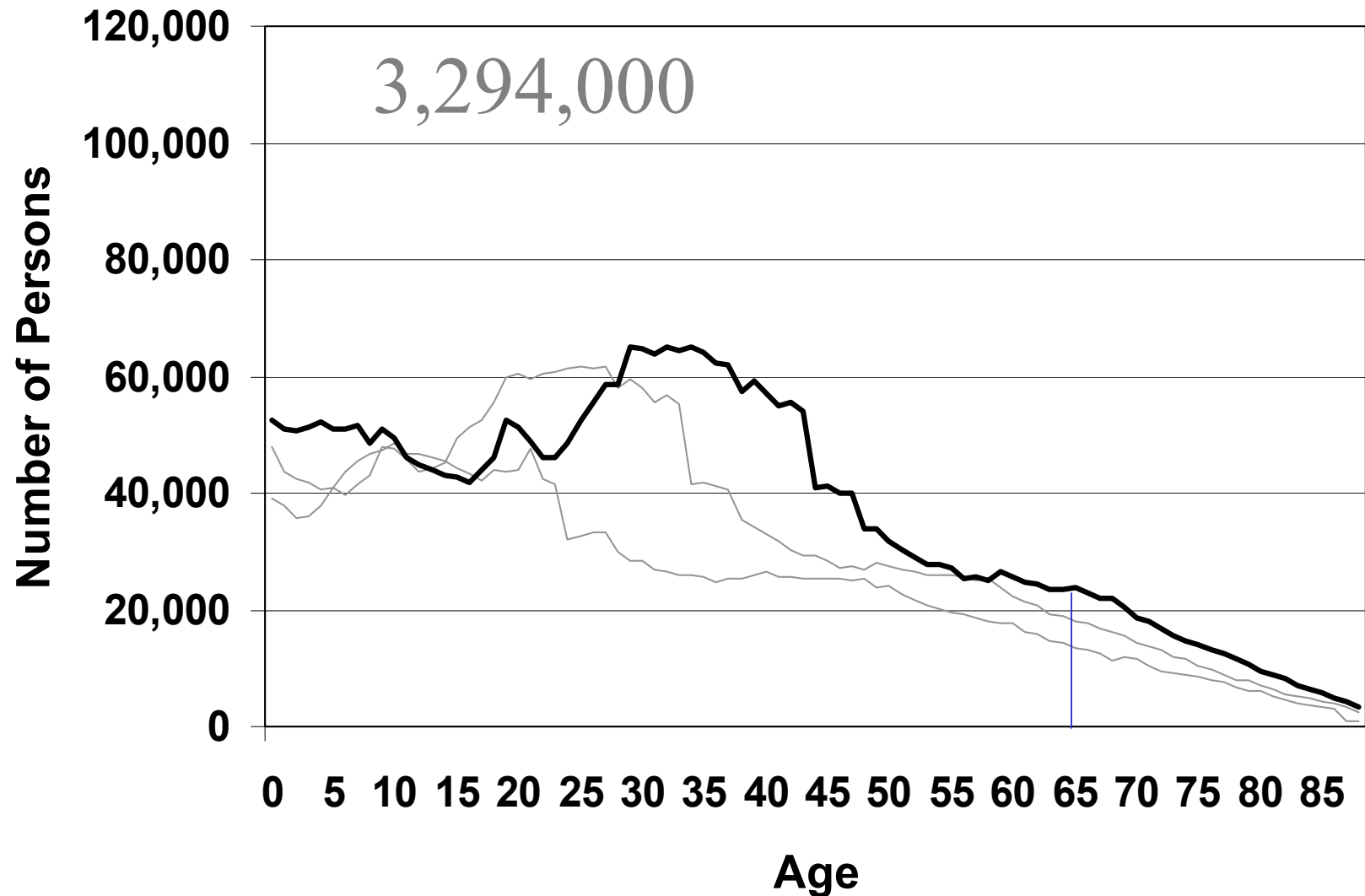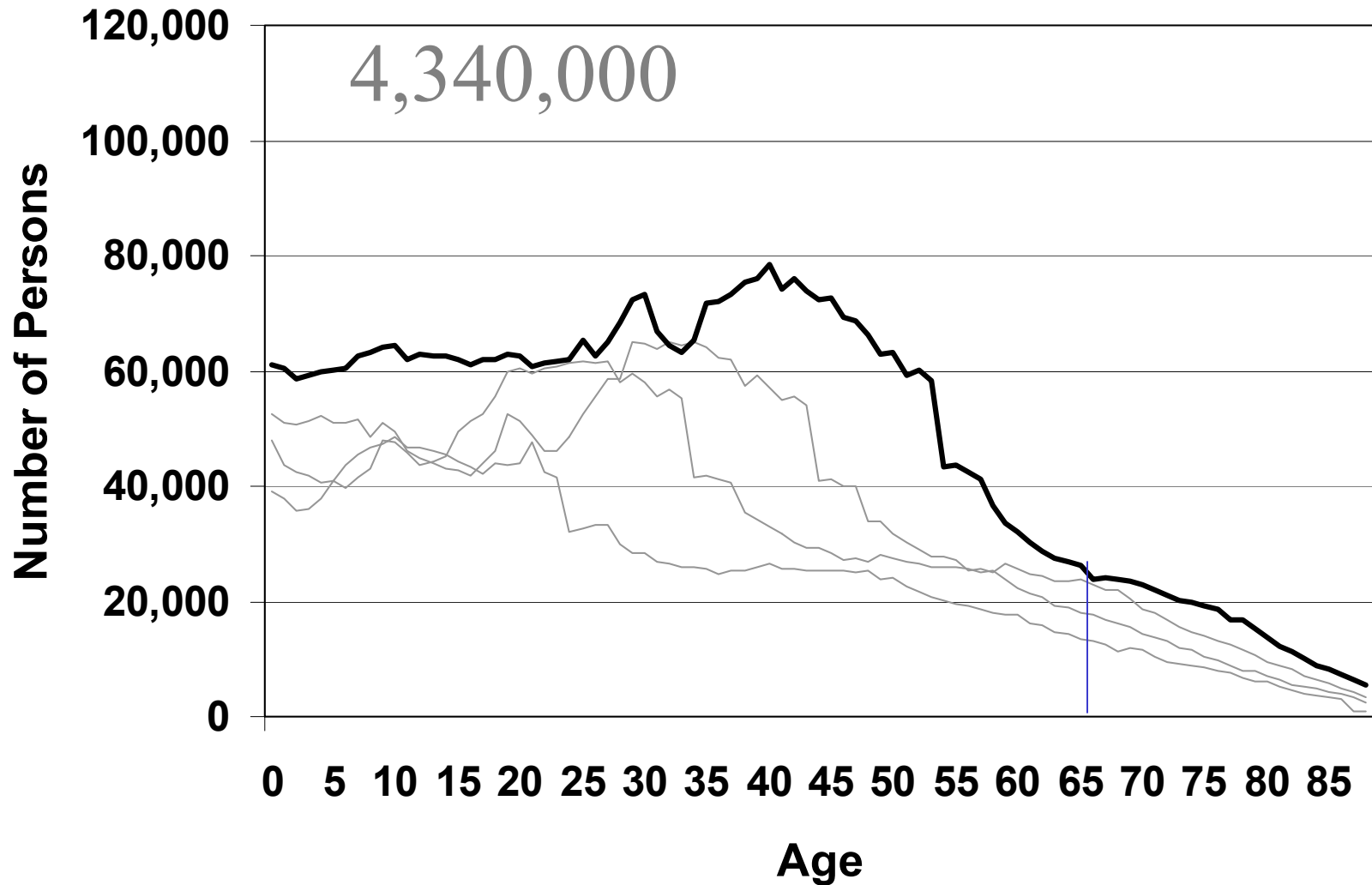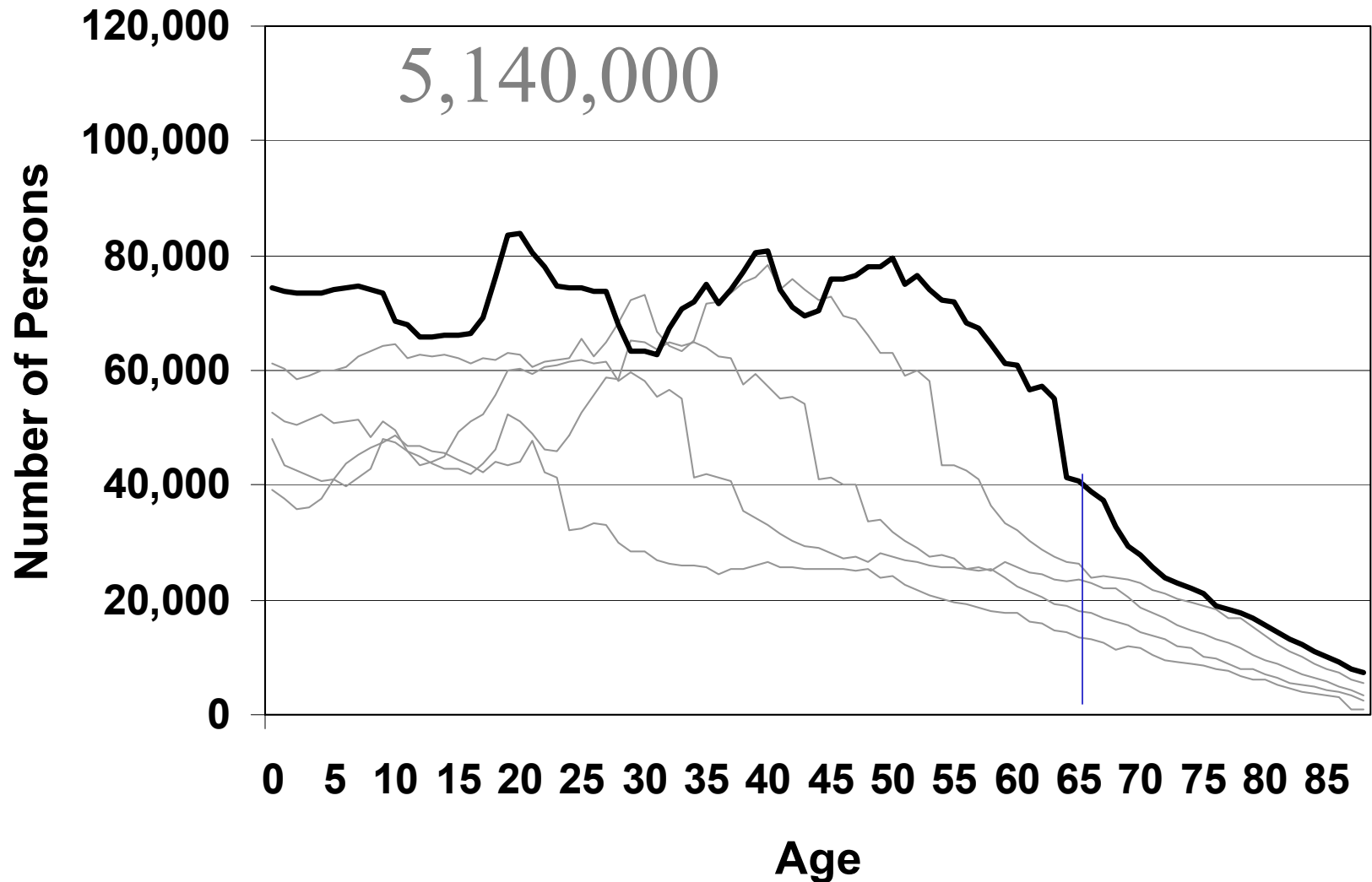# Colorado Population by Age 2000

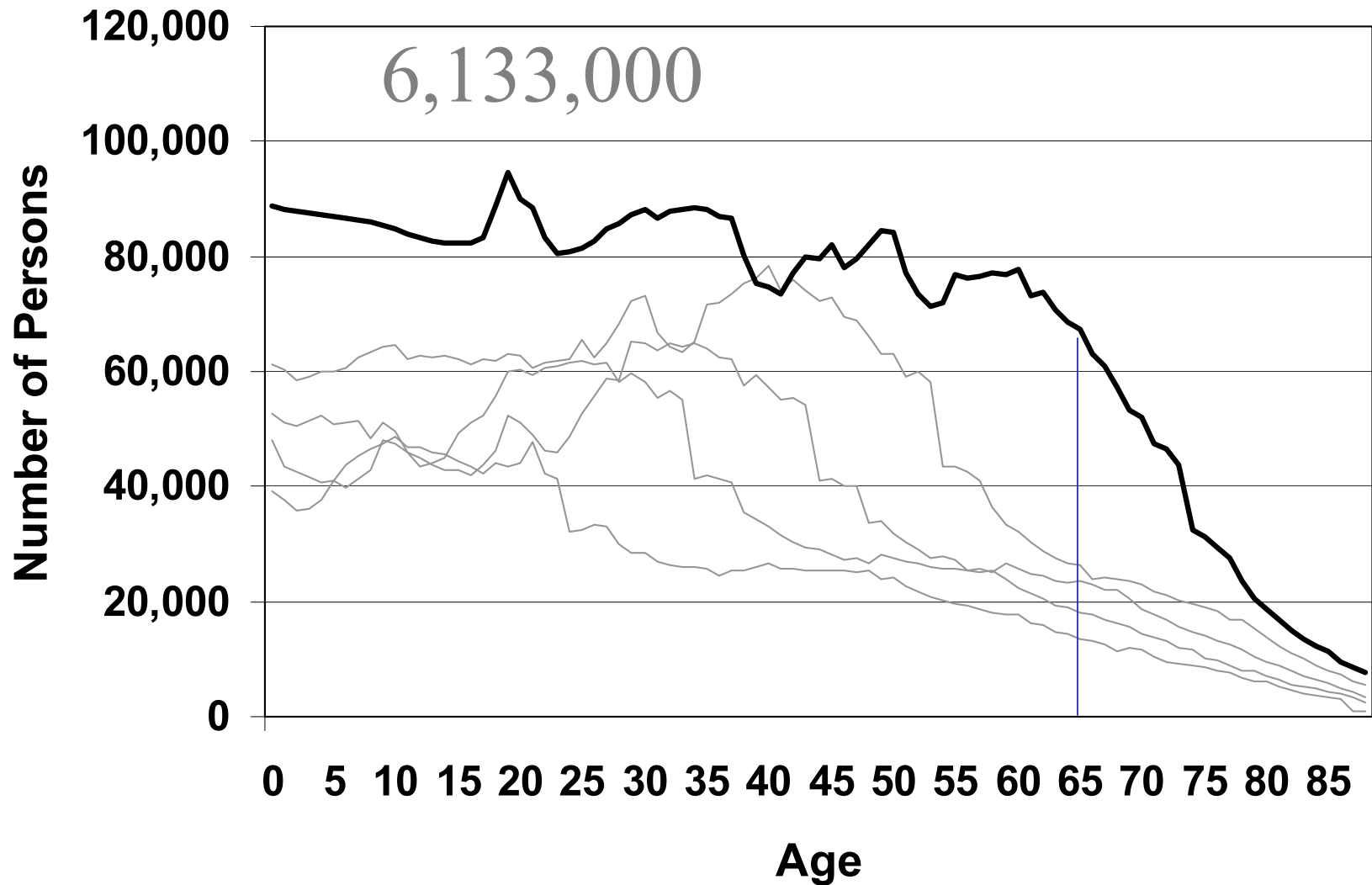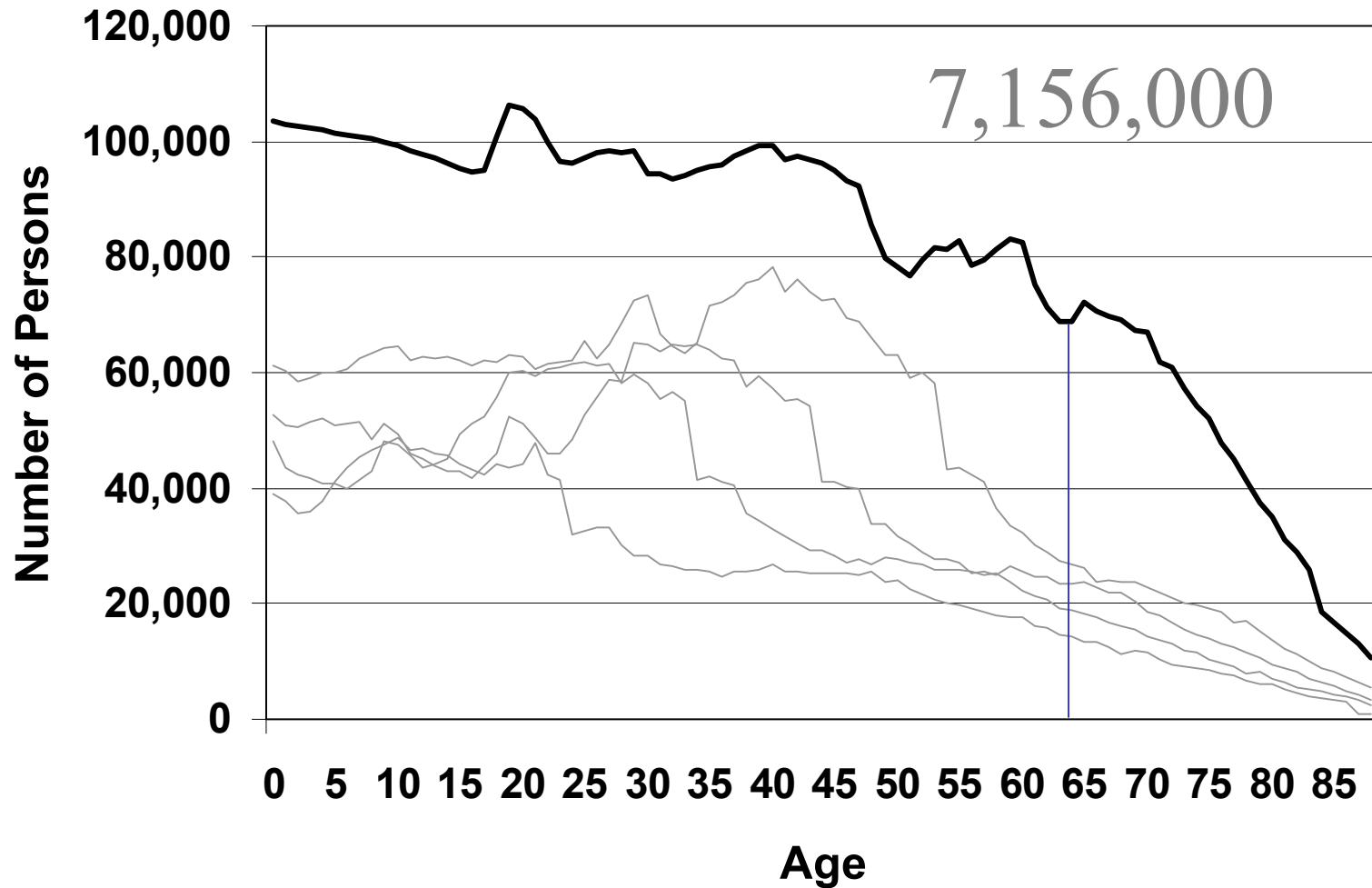# Colorado Population by Age 2010

Colorado Population by Age 2020


6,133,000

Number of Persons — Age

Colorado Population by Age 2030

7,156,000

The Metropolitan Front Range Attractiveness for Retirees

- To the extent baby-boomers and others will retire here, the population over 60 will grow rapidly.

- The metropolitan areas provide for access to services, entertainment, museums, friends and relatives.

- But, there are problems of congestion, high costs, other.

Share of Total Population by Age Group
Front Range, 2000 - 2025
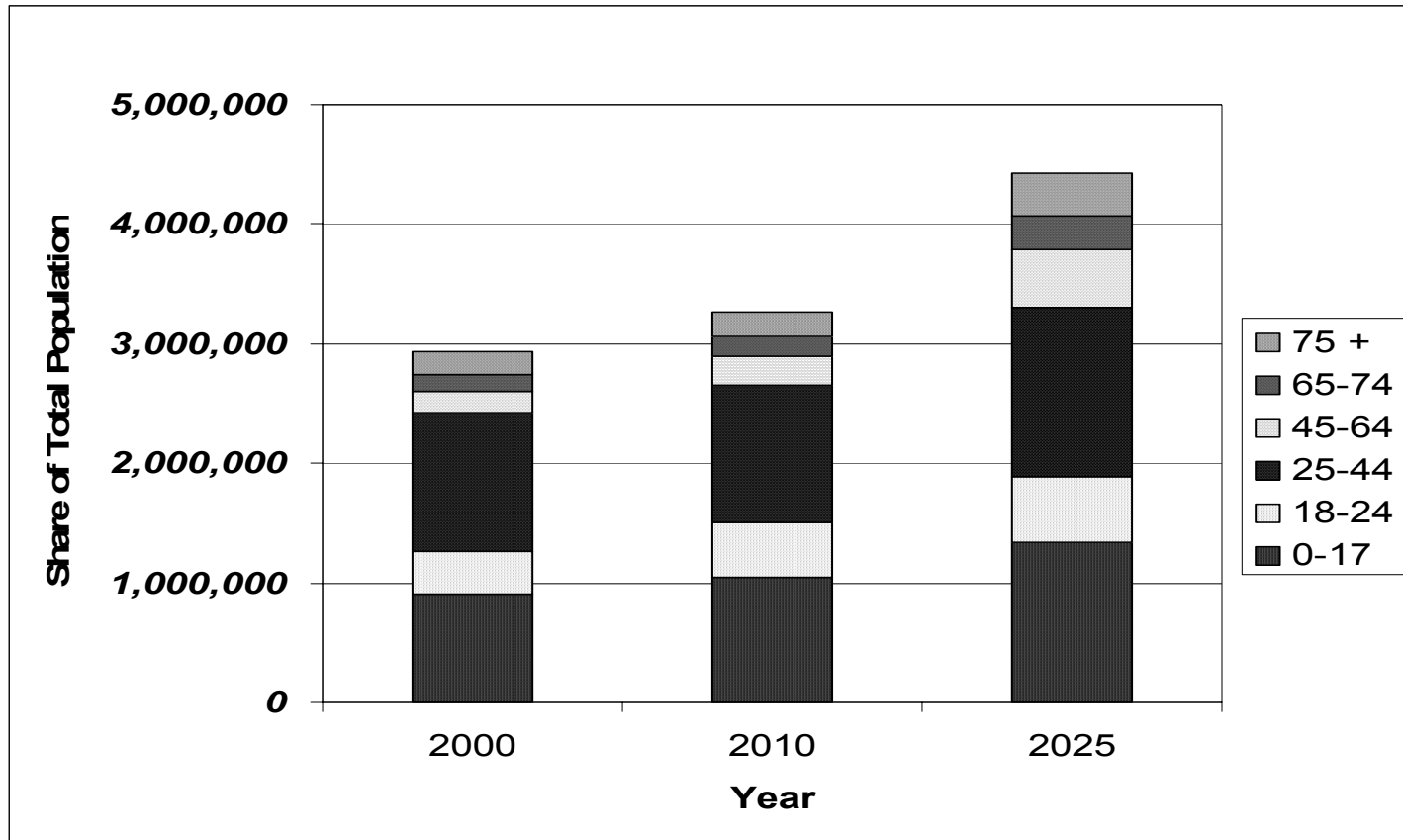
Western Slope and Central Mtns. Attractiveness for Retirees

- Scenic, pleasant environments; access to public lands for recreational activities.

- Attractive for relatives and friends.

- Less congestion; perceived to be relatively safe.

- Resort counties may be too expensive for many.

- Urban counties offer a wide-range of services.

- Scenic counties will not have all services.

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Share of Total Population
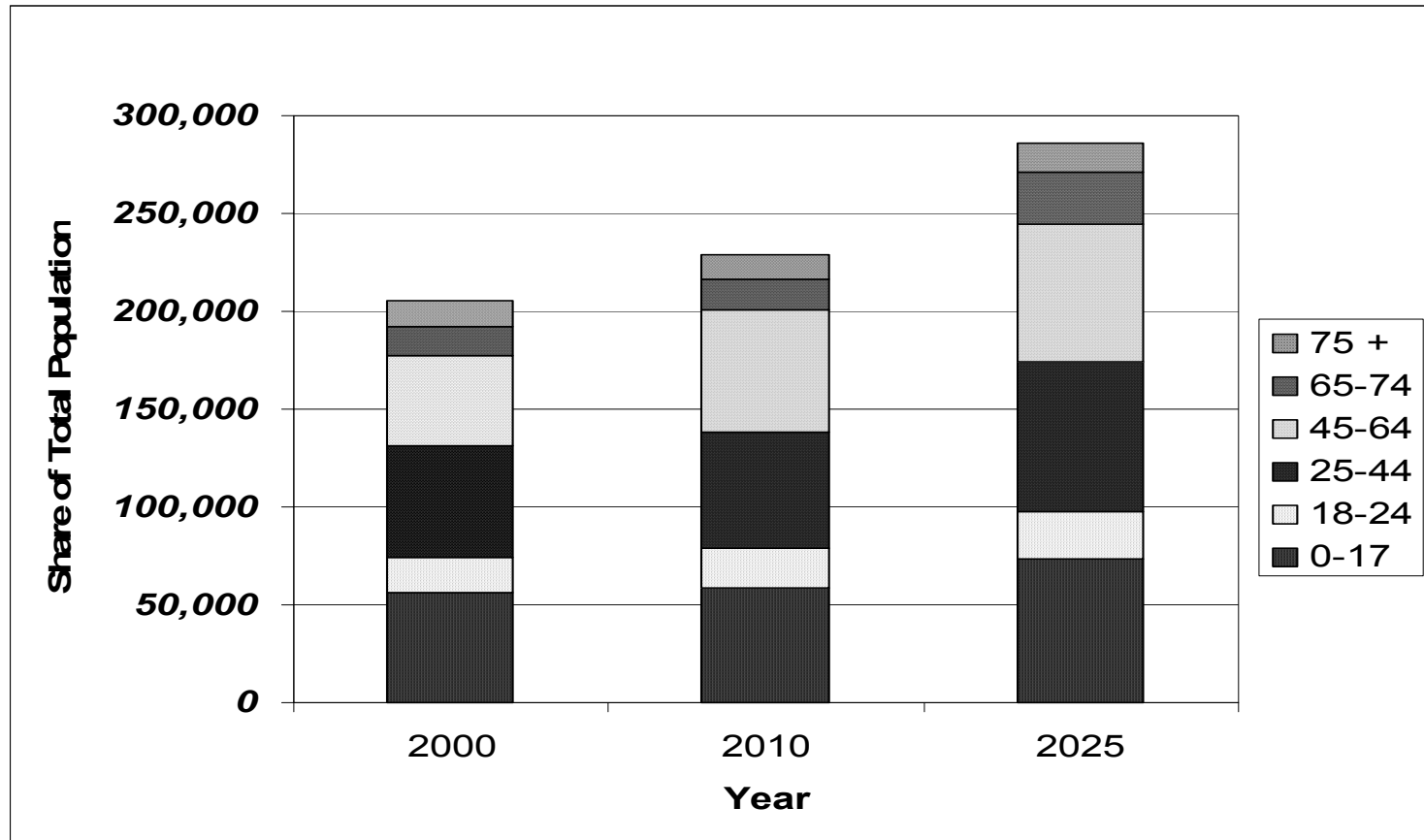# by Age Group
Western Slope/Cntrl Mtns, 2000-2025
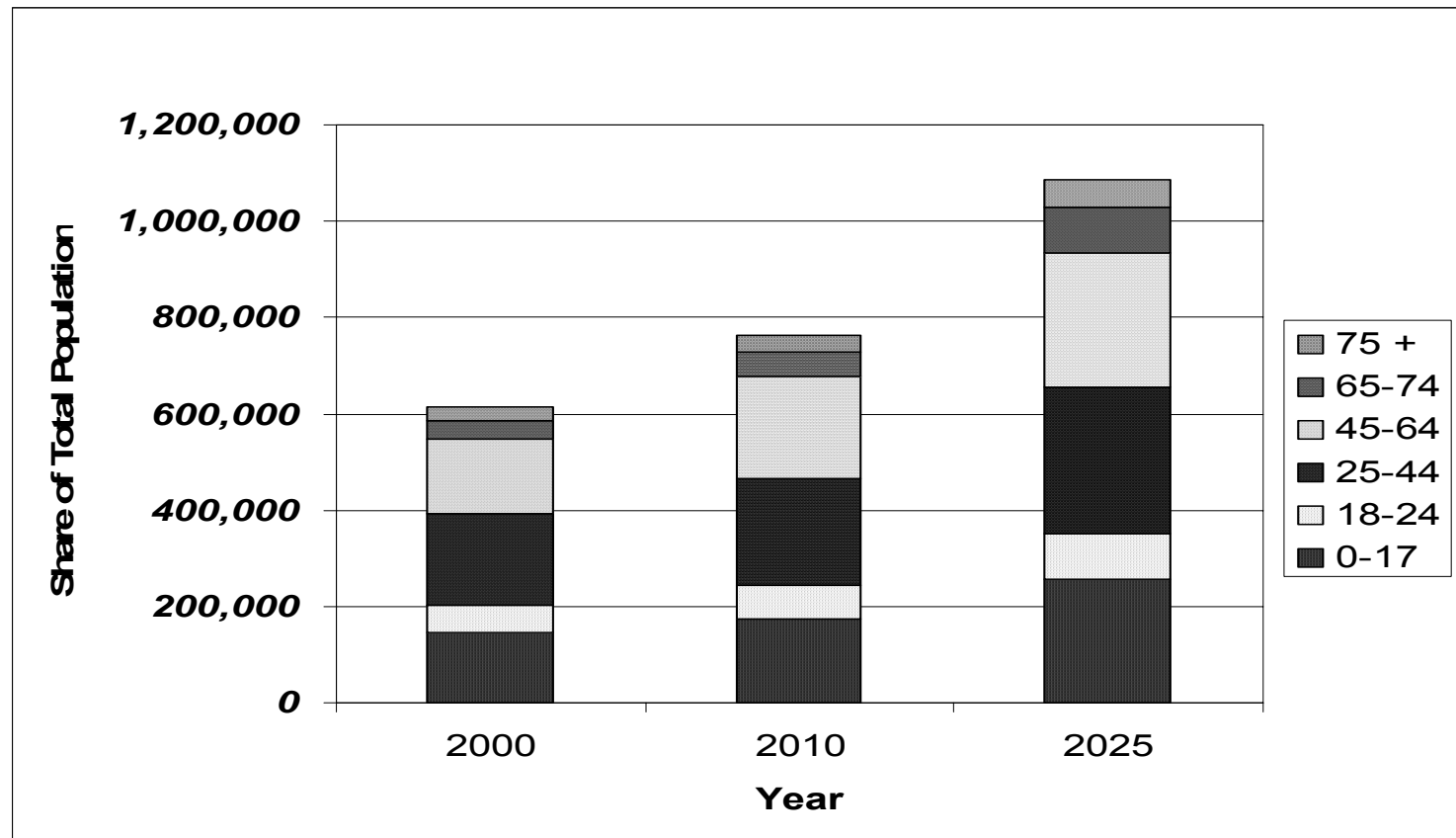
Eastern Plains and San Luis Valley Attractiveness for Retirees

- Low cost living

- Rural lifestyle

- Strong social network

- Adequate services

- Distant health services

Share of Total Population
by Age Group
Estn Plns/San LuisValley, 2000–25

Summary of Colorado Forecast

- The <u>Metropolitan Front Range</u> will grow above the national average of 1%, but not as fast as it did in the 1990s.

  - Its industrial growth will be somewhat constrained by relatively high living costs.

  - A strong part of its growth will be of retirees because of its high proportion of baby-boomers and many attractive areas for retirees.

Summary of Colorado Forecast

- The <u>Resort Counties</u> of the Western Slope will grow strongly, in part, because of an expanding visiting tourism industry.

- Most of the resort county growth will be related to second homes, and this will be a very strong component as baby-boomers move through the related age-groups.

- Further growth will come here as active-retirees make these areas their home.

Summary of Colorado Forecast

- The <u>Scenic and Urban areas</u> of the Western Slope and Central Mountains will grow even more strongly, rates > 2% per year.

- These counties will be challenged to retain a high-quality living environment . . .

- but the old and new residents and second home owners will demand it!!!

Summary of Colorado Forecast

- The <u>Agricultural Regions</u> of the state are currently struggling . . . but meeting the challenge in many different ways.

- Eventually, many of the counties of these regions will capture some of the large increase in the number of the state's retirees.

Jobs Forecasts for Colorado and its Sub-areas, 2005-2025
As driven by industry and retirees

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Western Slope & Central Mtns	360,000	460,000	550,000	2.5%	1.8%
Eastern Plains & San Luis Valley	100,000	120,000	150,000	1.8%	2.3%

Population Forecasts for Colorado and its Sub-areas, 2005-2025
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Western Slope & Central Mtns	680,000	860,000	1,100,000	2.4%	2.5%
Eastern Plains & San Luis Valley	220,000	240,000	300,000	0.9%	2.3%

Employment (Jobs) Implications of Industrial Growth for Sub-areas, 2005-2025

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